

Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 JUSE-00 PM-05 OES-07 ACDA-12 /160 W
-----071162 111610Z /43

R 111511Z MAY 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 6490
INFO ALL EC CAPITALS
AMEMBASSY TOKYO
USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 09047

USEEC

GENEVA FOR MTN DEL

E.O. 11652: N/A
TAGS: ETRD, EEC, JA
SUBJECT: EC-JAPANESE CONSULTATIONS

1. COMMISSION AND JAPANESE MISSION OFFICIALS HAVE GIVEN
US READOUT ON MEETING BETWEEN VICE PRESIDENT HAFERKAMP
AND MINISTER FOR EXTERNAL ECONOMIC AFFAIRS USHIBA WHICH
TOOK PLACE IN HAMBURG ON MAY 6. ACCORDING TO EC OFFICIAL,
MEETING WAS ARRANGED AT JAPANESE REQUEST TO PROVIDE
DETAILS ON VISIT OF PRIME MINISTER FUKUDA TO WASHINGTON.
IN ADDITION, PARTICIPANTS DISCUSSED THEIR POSITIONS ON
VARIOUS MTN ISSUES AND REVIEWED BILATERAL RELATIONS.

2. FUKUDA VISIT -
USHIBA REPORTEDLY STRESSED GOJ COMMITMENT TO 7 PERCENT
GROWTH TARGET AND TO BEST EFFORTS TO REDUCE CURRENT
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ACCOUNT BALANCE TO SIX BILLION DOLLARS, ALTHOUGH LATTER
FIGURE WOULD BE VERY DIFFICULT TO ATTAIN. HE ADDED THAT
GOJ HAD COUPLED ITS COMMITMENTS TO A NEED FOR USG TO
STABILIZE DOLLAR AND ADOPT AN ENERGY POLICY. ON MTN,
USHIBA REPORTED THAT STR STRAUSS HAD BEEN IMPATIENT FOR
MORE PROGRESS IN THE MTN. JAPANESE OFFICIALS HAD EMPHA-
SIZED LIMITATIONS OF CONSENSUS METHOD IN GOJ POLICY

MAKING BUT HAD EXPRESSED WILLINGNESS TO REACH AGREEMENT BY MID-JULY DEADLINE.

3. MTN -

ON MOST MTN ISSUES, USHIBA AND HAFERKAMP PROFESSED THEMSELVES TO BE RELATIVELY CLOSE. HAFERKAMP STRESSED THE IMPORTANCE OF OBTAINING THE BLESSING OF THE BONN SUMMIT FOR THE MTN FINAL PACKAGE. HE STATED THAT THE ONLY POINT FROM LAST YEAR'S SUMMIT IN LONDON WHICH IS NEAR ATTAINMENT IS THE MTN AND THEREFORE IT IS ESSENTIAL THAT THE PACKAGE BE READY BEFORE THE BONN MEETING. EC DIRECTOR GENERAL FOR EXTERNAL RELATIONS SIR ROY DENMAN ADDED THAT BONN DECISIONS SHOULD NOT BE SEEN BY LDC.S AND OTHERS AS A FAIT ACCOMPLI AND THEREFORE BASIC DECISIONS ON MTN MUST BE TAKEN IN ADVANCE IN GATT FORUM. HE ADDED THAT BOTH THE EC MEMBER STATES AND THE USG INSIST ON IMPROVEMENTS IN THE JAPANESE TARIFF OFFER. USHIBA, ACCORDING TO EC OFFICIAL, UNDERTOOK TO EXPEDITE THE JAPANESE RESPONSE TO THE EC REQUEST FOR TARIFF OFFER IMPROVEMENT AND TO HAVE AN ANSWER BY MID-MAY. ON THE OTHER HAND, JAPANESE MISSION OFFICER HERE SPECIFICALLY DECLINED TO CONFIRM PRESS REPORTS THAT INDICATED USHIBA HAD PROMISED AN EARLY JAPANESE RESPONSE TO THE EC ON TARIFF.

4. ON SELECTIVE SAFEGUARDS, JAPANESE MISSION SAID USHIBA HAD STRESSED THE JAPANESE SIDE INDICATED THREE CONDITIONS
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FOR CONSIDERATION OF SUCH AN APPROACH: (1) AN END TO EC QUANTITATIVE RESTRICTIONS AGAINST JAPAN, (2) ELIMINATION OF BILATERAL SAFEGUARD CAUSES BY EC MEMBER STATES AND (3) THAT SELECTIVE SAFEGUARDS BE SUBJECT TO RIGOROUS INTERNATIONAL SURVEILLANCE PROCEDURES.

5. HAFERKAMP AND USHIBA AGREED THAT THE TRILATERAL MEETING SCHEDULED FOR WASHINGTON ON JUNE 20-21 WOULD BE DECISIVE IN REACHING AGREEMENT ON AN MTN PACKAGE.

6. EC-JAPAN RELATIONS -

HAFERKAMP LOOKED FORWARD TO VISIT OF PRIME MINISTER TO BRUSSELS JULY 18. HE NOTED THAT MEMBER STATES WOULD DISCUSS RELATIONS WITH JAPAN FORMALLY SEVERAL TIMES OVER NEXT FEW MONTHS AND ADDED THAT AT THE EUROPEAN COUNCIL IN COPENHAGEN IN APRIL SEVERAL MEMBER STATES HAD MADE IT CLEAR THAT THEY REGARDED EC-JAPAN COMMUNIQUE OF MARCH 24 AS ONLY A FIRST STEP TOWARD IMPROVING STATE OF RELATIONS. USHIBA, ACCORDING TO EC OFFICIAL, SAID HE UNDERSTOOD COMMUNITY'S NEEDS. HE ALSO NOTED THAT FIRST QUARTER FIGURES FOR 1978 SHOWED THAT EC EXPORTS TO JAPAN HAD INCREASED BY 34 PERCENT WHILE EC IMPORTS HAD GONE UP

BY ONLY 19 PERCENT. ON AIRCRAFT PURCHASES, EC OFFICIAL STATES THAT USHIBA TOLD HAFERKAMP THAT A JAPANESE DOMESTIC AIRLINE (TDA) WOULD ANNOUNCE THE PURCHASE OF DC 9-80.S AND SEVERAL BAC-111.S BEFORE SEPTEMBER AND THAT AN AIRBUS DECISION COULD BE EXPECTED AROUND SEPTEMBER. USHIBA INDICATED THAT THE NUMBER OF BAC-111.S IN THIS FIRST DECISION WOULD NOT EXCEED THREE. ON THE AIRBUS, THE EC OFFICIAL SAID THAT USHIBA HAD LEFT AN IMPRESSION THAT THE DECISION WOULD BE POSITIVE BUT THAT HE HAD AVOIDED ANY CLEAR COMMITMENT. JAPANESE MISSION OFFICER CHARACTERIZED AS ACCURATE PRESS REPORT INDICATING THAT POSITIVE DECISIONS WERE LIKELY ON PURCHASE OF EUROPEAN AIRCRAFT BUT CAUTIONED THAT

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INFO ALL EC CAPITALS
AMEMBASSY TOKYO
USMISSION GENEVA

C O N F I D E N T I A L SECTION 02 OF 02 BRUSSELS 09047

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USHIBA.S REMARKS WERE INFORMAL, NOT OFFICIAL.
7. EC OFFICIAL DESCRIBED MAY 6 MEETING AS MOST POSITIVE
IN TONE YET WITH USHIBA. HINTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS, RELATIONS WITH REGIONAL ORGS, MINISTERIAL VISITS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE09047
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780200-0872
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780571/aaaachvr.tel
Line Count: 163
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f2318ea0-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2727489
Secure: OPEN
Status: NATIVE
Subject: EC-JAPANESE CONSULTATIONS
TAGS: ETRD, JA, EEC
To: STATE USMTN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f2318ea0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014